

SINGLE-TENANT MCDONALD'S

22 YEARS OF HISTORICAL OCCUPANCY AT THIS LOCATION

3601 W Gate City Blvd, Greensboro, NC 27407



ACTUAL SUBJECT PHOTO



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INVESTMENTS



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ACTUAL PROPERTY SHOWN

OUTPARCEL TO A NEWLY CONSTRUCTED WALMART NEIGHBORHOOD MARKET AND SITUATED AT MAJOR 4-WAY INTERSECTION

Walmart
Neighborhood Market

Total Wine
SPIRITS BEER & MORE

Subject Property

Access

Access

Access

PYLON

51K CARS PER DAY

WELLS FARGO

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AERIAL MAP



Pennydale



Fairview Homes

Hunter Hills

Hunter Elementary School



S Holden Rd (~20k CPD)

Subject Property

W Gate City Blvd (~31k CPD)

~1,300 Students

The Grand Theatre

Four Seasons Town Centre

Joseph S. Koury Convention Center

Ben L. Smith High School



PRICING SUMMARY

Pricing Summary

Purchase Price:	\$2,835,000
Cap Rate:	4.75%
Net Operating Income:	\$134,640/ year (NNN)
Gross Leasable Area:	3,880 SF
Building Type:	Freestanding Drive-Thru Restaurant
Lot Size:	~0.95 acre
Year Built:	1995
Address:	3601 W Gate City Boulevard Greensboro, NC 27407

[[Google Maps](#)]

Lease Summary

Tenant Name:	McDonald's
Lessee:	McDonald's Corporation
Rent Commencement:	November 30, 1995
Initial Lease Expiration:	November 29, 2015
1st Option Expiration:	November 29, 2020
Term Remaining:	~3.5 years
Renewal Options:	(5) 5-year options remaining
Lease Structure:	Absolute NNN Ground Lease
Annual Base Rent:	\$134,640
Rental Increases	10% every 5 years
Next Rental Increase:	November 30, 2020
Landlord Responsibility:	None



ACTUAL SUBJECT PHOTO



Investment Highlights

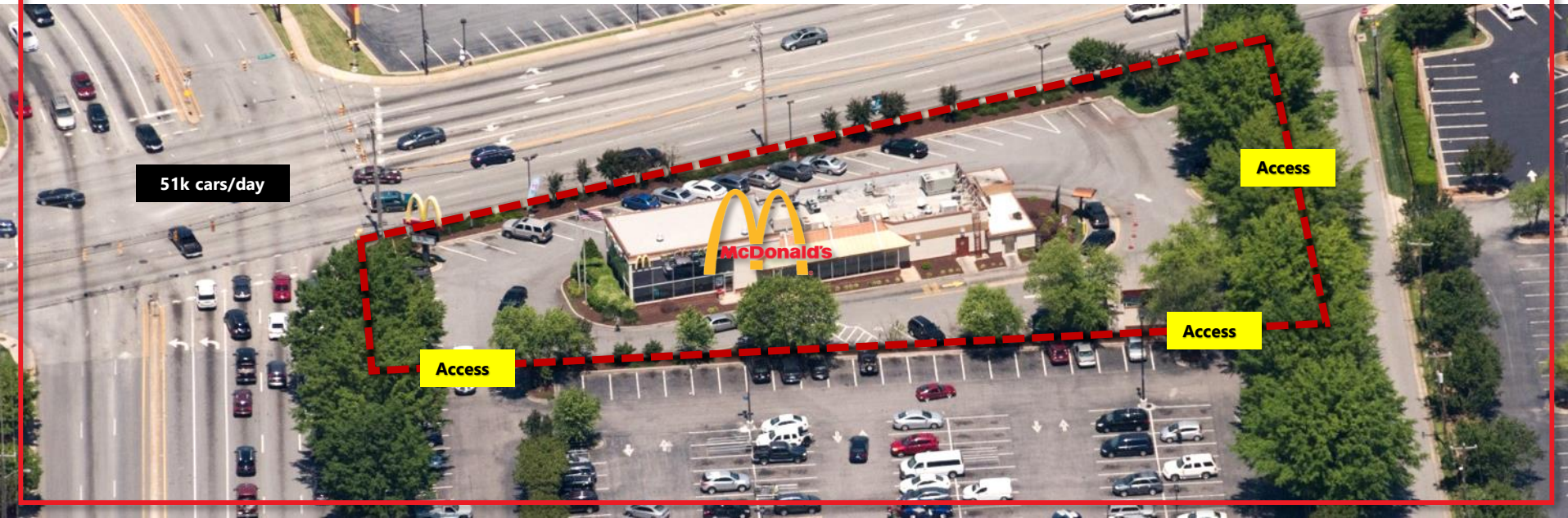
- **22 Year Occupancy.** The tenant has occupied the subject property since 1997 and recently exercised its first extension option without any landlord incentive. The location has proven itself to be successful and McDonald's has evidenced its desire to continue its tenancy here.
- **Nearly Impossible to Replicate.** There are no signalized one acre outparcels along W. Gate City Blvd. with immediate access to I-40 like the subject property. Furthermore, the property sits at the most dominant intersection in the immediate trade area and benefits from its reciprocal access with a new Walmart Neighborhood Market. In order for McDonald's to relocate it would have to downgrade its location and likely pay higher rent elsewhere.

Investment Highlights (cont'd.)

- **Corporate Lease.** The lease is guaranteed by McDonald's Corporation, a publicly traded company on the NYSE: "MCD" with a \$120+ billion market cap.
- **#1 Leader in Fast Food.** McDonald's is the world's leading global food service retailer with over 36,000 location in over 119 countries. The United States is still their most dominant market by restaurants, revenues and operating income. Since the November 2016 election the stock has increased by 35%.
- **Favorable Rent Growth.** The subject lease features 10% rent increases every five years throughout the options, which will help hedge against inflation increase the property's value over the investment period.

INVESTMENT HIGHLIGHTS

- Occupancy since 1995
- Recently exercised option
- Walmart Outparcel
- Absolute NNN Lease
- 50k cars per day traffic counts
- Internet Resistant Service Use
- Attractive Yield
- Zero landlord obligations
- Large one acre outparcel
- Best in class fast food concept
- Nearby Hotel/Convention Center



Location Highlights

- **Strongest Corner in Trade Area.** With traffic counts directly in front of the property exceeding 50k cars per day, the subject is situated at the most highly trafficked, dominant intersection within the immediate trade area. Any relocation from this corner would be a location downgrade – which McDonald's does not have a history of doing.
- **New Walmart Neighborhood Market.** The subject property benefits from being the sole outparcel to a new Walmart Neighborhood Market. The combination of the daily needs visits generated by the Walmart combined with the convenient access for commuter traffic make this location highly valuable for a drive thru restaurant like McDonald's.

Location Highlights (cont'd.)

- **Multiple Points of Access.** The subject benefits from three (3) distinct points of access, two of which are located within the Walmart Neighborhood Market parking lot.
- **Surrounded by New Restaurants.** Within a couple blocks of the property are a new Denny's, Zaxby's, Wendy's and Krispy Kreme. The influx of newly developed and redeveloped restaurant properties are a tremendous positive indication of the direction the local area is headed.
- **High Barrier to Entry.** There are no available 1-acre corner lots available along Gate City Blvd. – the main thoroughfare running through convention center district of Greensboro.

LOCATION HIGHLIGHTS

- Strongest corner in corridor
- 50k car per day traffic counts
- Multiple points of access
- Outparcel to Walmart Market
- Reciprocal access with Walmart
- Adjacent to Total Wine & More
- Surrounded by new restaurants
- Very high barriers to entry
- Immediate access to I-40
- Dedicated Pylon Signage
- Great Visibility and Access



ACTUAL SUBJECT PHOTO

AERIAL MAP



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Downtown Greensboro

Greensboro Coliseum

Joseph S. Koury Convention Center

Four Seasons Town Centre



Subject Property

The Grand Theatre

Ben L. Smith High School



W Gate City Blvd (~31k CPD)



Global Market



WAL*MART
Neighborhood Market

S Holden Rd (~20k CPD)

Total Wine
SPIRITS · BEER & MORE



DISCOUNT
TIRE

Wendy's



POPEYES



CARRABBA'S
ITALIAN GRILL



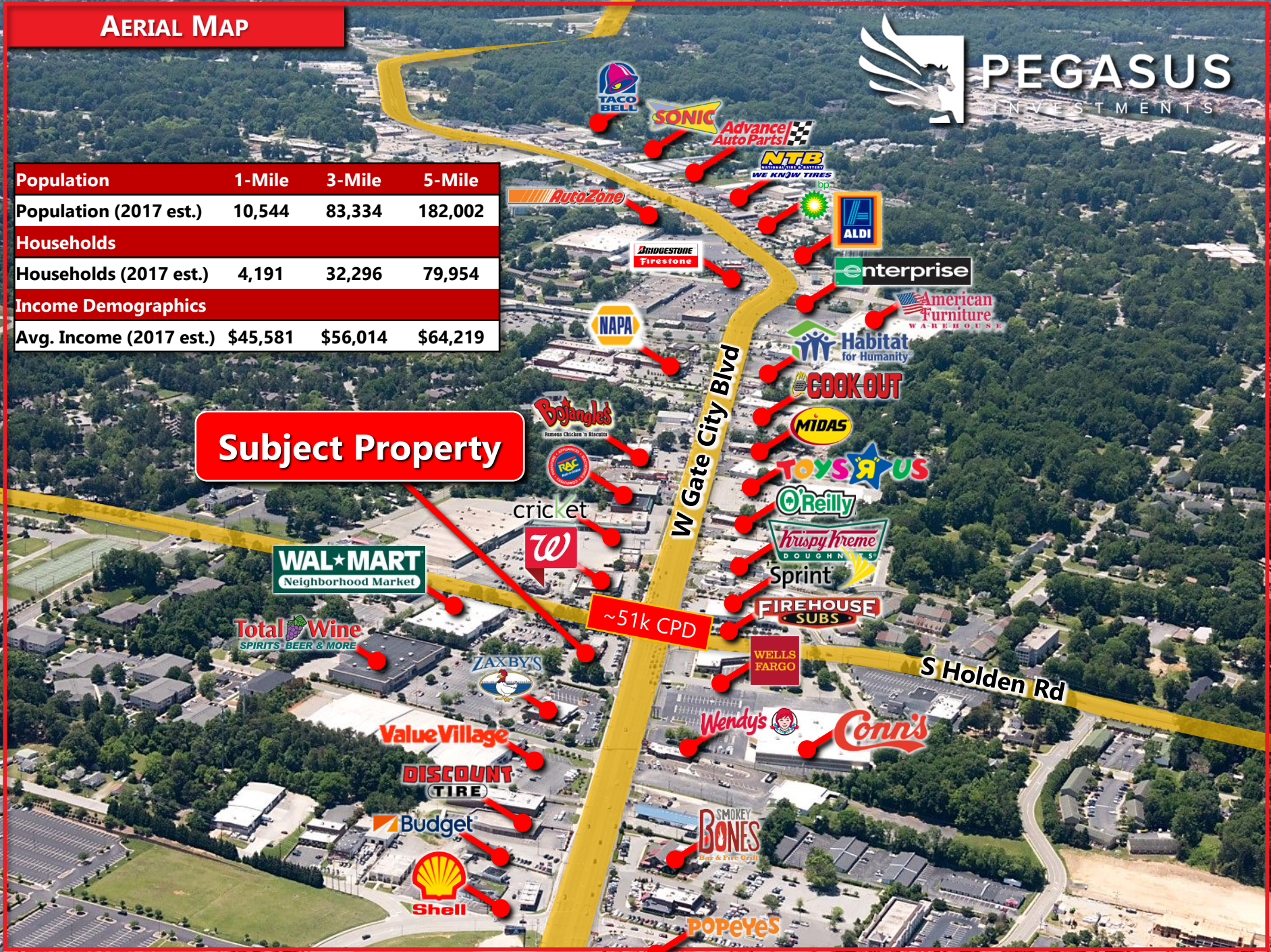
Famous Chicken & Biscuits

AERIAL MAP



Population	1-Mile	3-Mile	5-Mile
Population (2017 est.)	10,544	83,334	182,002
Households			
Households (2017 est.)	4,191	32,296	79,954
Income Demographics			
Avg. Income (2017 est.)	\$45,581	\$56,014	\$64,219

Subject Property



MCDONALD'S HAS OPERATED AT THE PROPERTY FOR 22+ YEARS AND RECENTLY EXERCISED ITS FIRST OPTION SHOWING ITS LONG TERM COMMITMENT TO THE SUBJECT PROPERTY



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Corporate Structure: Public
Ticker: (NYSE: [MCD](#))
Market Cap: \$122+ billion
Store Count Worldwide: 36,000+
S&P Rating: "BBB+/Stable"
www.mcdonalds.com



McDonald's is the world's leading global food service retailer with over 36,000 locations in over 100 countries. The company has more than 1.8 million employees globally and serves over 70 million customers daily. The U.S. is the largest market in the system in terms of number of restaurants, revenues and operating income. The company reported 2016 revenues of ~\$25 billion and market cap of \$120+ billion.

McDonald's is the leading hamburger and fast food restaurant chain. It was founded in 1940 as a barbecue restaurant operated by Richard and Maurice McDonald. In 1948, they reorganized their business as a hamburger stand, using production line principles. The first McDonald's franchise using the arches logo opened in Phoenix, Arizona in 1953. Businessman Ray Kroc joined the company as a franchise agent in 1955 and subsequently purchased the chain from the McDonald brothers. McDonald's is currently based in Oak Brook, Illinois.

McDonald's primarily sells hamburgers, cheeseburgers, chicken products, french fries, breakfast items, soft drinks, milkshakes, and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, fish, wraps, smoothies and fruit. A McDonald's restaurant is operated by either a franchisee, an affiliate, or the corporation itself. The McDonald's Corporation revenues come from the rent, royalties, and fees paid by the franchisees, as well as sales in company-operated restaurants. More than 80% of McDonald's restaurants worldwide are owned and operated by independent local business men and women.

TENANT OVERVIEW



ACTUAL SUBJECT PHOTO

SURROUNDING RETAIL



Anchored by New Walmart Market



Newly constructed Krispy Kreme



New Denny's under construction



Adjacent newly constructed Zaxby's



Latest Wendy's Prototype
Newly constructed O'Reilly Auto



Wells Fargo on opposite corner
Walgreens on opposite corner





FOUR SEASONS

ENTRANCE D

KOURY Convention Center

Sheraton
FOUR SEASONS

Occupancy | SF

96.4% | 1M

Owner | Tenants

GGP | 140+

The Joseph S. Koury Convention Center

1M Visitors

Four Seasons Town Centre is a three-story shopping mall in Greensboro, North Carolina. Opened in 1974, it was the first enclosed shopping center in Greensboro. Currently it is anchored by Dillard's and JC Penny and remains the only indoor shopping mall within Greensboro's city limit. Four Seasons is managed by General Growth Properties (NYSE: [GGP](#)). The shopping mall is located at the I-40 interchange with Gate City Boulevard (formerly High Point Road), southwest of downtown.

The Sheraton Greensboro and Joseph S. Koury Convention Center is the largest hotel/convention center complex between Atlanta and Washington, DC. Tourists and business travelers are also nearby, as the property is adjacent to the Greensboro Coliseum Complex, which hosts more than 1,000 events per year. The hotel and convention center were last renovated in 2015. The Sheraton has 985 guest rooms and the convention center has capacity for up to 6,000 people.



The Greensboro Coliseum Complex is a multi-building facility designed to serve the citizens of Greensboro and the surrounding area through a broad range of activities, including athletic events, cultural arts, concerts, theater, educational activities, fairs, exhibits, and public and private events of all kinds including conventions, convocations and trade and consumer shows. It is both a primary center of activity for the community and a leading economic generator for this region. The Greensboro Coliseum Complex consists of eight venues including the 22,000-seat [Greensboro Coliseum](#) which has a long and distinguished history of hosting ACC and NCAA basketball championships as well as concerts by some of the top names in the recording industry including Paul McCartney, Garth Brooks, Bruce Springsteen, Beyonce and Jay-Z. The Greensboro Coliseum Complex is one of the most actively booked facilities in the country hosting more than 1,100 events on an annual basis. With its incredible versatility, the Complex has gained worldwide acclaim from promoters, producers, event planners and patrons.



Greensboro is situated in the scenic Piedmont Golden Triangle between the Blue Ridge and Great Smoky mountain ranges and the Atlantic Ocean. The temperate climate and rolling hills entice tourists, particularly golfers in search of world-class courses. Bryan Park Golf & Conference Center is a top site for spectacular scenery and fantastic golfing. Its two public courses earned the prestigious 4-star ranking in Golf Digest's "Best Places to Play" guide. The heart of Greensboro, the state's third largest city, is its revitalized downtown. After a decades-long decline that began in the 1950s, the area gained new life in the '90s. Downtown has since experienced a resurgence of commerce, living, entertainment and dining. This rebirth aided in the preservation and redevelopment of the Old Greensboro and Elm Street areas.

Greensboro, North Carolina is the third largest city in North Carolina with a population of nearly 230,000 people. According to the U.S. Census Bureau, the Greensboro-High Point metropolitan statistical area has an estimated population of nearly 670,000 people.

Greensboro is located in central North Carolina, approximately 40 minutes east of Winston-Salem. Several Fortune 500 companies and well-known businesses have their roots here, including Citigroup, Procter & Gamble, UPS, United Guaranty, Lincoln Financial, AT&T and United Health Group. Globally-known logistics firms have a large footprint in Greensboro offering excellent supply chain services. UPS has a 364,000 square foot facility employing more than 2,000 people.

REGIONAL MAP



About Pegasus Investments

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, CA. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 28 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.

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